RV BUSINESS

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IGUST 19, 1991

Debuts included the competitively priced Winnebago Brave (top left) and Fleetwood Coronado (bottom left), as well as units like the Liberty Coach on the new Prevost H3-40 chassis.

FMCA Rally Showcases Array of New Units

The first major public showing of 1992-model motorhomes, Family Motor Coach Association (FMCA) 28th Annual Summer Grand International Convention in South Bend, Ind., was notable for the number and range of its new-product debuts.

An array of ultraexpensive bus conversions on the new Prevost H3-40 VIP shell took center stage, however. The composite-skinned H3-40, which is manufactured by Prevost Car Inc., Ste. Claire, Quebec, Canada, was introduced to converters more than a year ago, but a number of companies are only now employing it in new $600,000 to $700,000 conversion coaches.

It's no surprise that the H3-40s drew the most attention from the public and the 10,000 FMCA club members encamped in 4,609 coaches around the University of Notre Dame campus, July 16-18. The floor of the 12½-foot-high Prevost shell is 63 inches off the ground, housing 83 inches of headroom and a cavernous 420 cubic feet of underfloor storage. Those dimensions gave converters, such as Liberty Coach Inc., North Chicago, Ill., and Royale Coach by Monaco Inc., Elkhart, Ind., a lot of room for creativity.

"The H3-40 is the latest and greatest in the high-line RV industry," reported Star Wood, conversion coordinator for Country Coach Inc., Junction City, Ore., which has added an H3-40 to the top end of its bus conversion offerings. "Because it is a composite shell—fiberglass rather than metal with stainless steel—the window configuration is a lot different. The floor is a lot taller than that of the Prevost Le Mirage XL, so the driver and passenger sit down in a cockpit."

Wood added that buyers are indeed lining up for coaches with $700,000 price tags. "I'll have to tell you," she said, "these have sold as quickly as they've come off the line."

Manufacturers, of course, also debuted a host of more moderately priced coaches. For example, Fleetwood Enterprises Inc., Riverside, Calif., brought its nonbasement Coronado, a competitively priced, 29- and 33-foot fiberglass coach retailing for less than the Pace

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COVER PHOTOS: ROBERT LONGSDORF JR.

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The goal of improving dealership service-technician training has united the industry, with the National RV Technical Institute as the centerpiece of current efforts. Although problems of timing, location and availability for existing technicians still need to be ironed out, the growing network of school sites is getting generally good reviews from manufacturers and dealers.

South Bend Show Section ____ 32

This special section provides a quick tour of the 37th Annual Midwest Manufactured Housing & Recreational Vehicle Show in South Bend, Ind., Aug. 20-25, including a calendar of events, entertainment highlights, exhibitor lists and show floorplans.

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APRIL SALES INDICATE RECOVERY

THOMAS WALWORTH

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama

RV retail sales reports for April 1991 showed the industry still well below last year's sales level for the first five months of the year. Year-to-date, the RV-trailer market was down 16.8% from the same period of 1990, while motorhome retail sales were down by an even larger 37.3%. However, the gap did seem to be closing: The RV-trailer market's year-to-date lag as of April was an improvement of 3.3 percentage points on March's year-to-date deficit, and the motorhome market's year-to-date shortfall was 2.4 percentage points better than March's year-to-date percent of change.

The RV-trailer market declined 1,364 units, or 10.96%, in April 1991 compared with April of last year, but this was an improvement over the previous 15.3% March-over-March decline. Figure 1 lists the seven regions of the country ranked by the percent of change in April 1991 trailer sales compared with April 1990. The East North Central region led the rankings, with Wisconsin reporting the largest gain. The Pacific region came in last place, and California had the largest decline among those states for the month.

Year-to-date, the RV-trailer market's 16.8% drop translated into a 5,925-unit shortfall compared with the first five months of 1990. Figure 2 shows the seven national regions listed according to their percent of change in trailer sales from the same period of 1990. The West North Central region topped the rankings, and Missouri had the largest year-to-date gain in that region. In the bottom-ranked Northeast, New Hampshire experienced the largest decline.

Motorhome retail volume for April was off by 33.1%, or 1,651 units, from April 1990, although this was not as bad as the 37.1% decline between March 1990 and March 1991. In Figure 3, the seven regions of the country are ranked based on the percent of change in April sales compared with the same month of last year. The East North Central region led all others, with Indiana showing the largest gain for the month. In the trailing South Atlantic states, West Virginia reported the largest decline.

For the year-to-date, the motorhome market's 37.3% deficit put sales 5,942 units

GRAPHICS: DIGITAL LIFE

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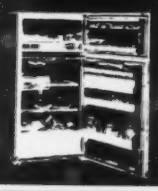

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AT RETAIL *continued*

behind their level for the first five months of 1990. The seven regions of the country are ranked in Figure 4, based on their year-to-date percent of change. The West North Central region won the No. 1 slot, with Missouri having the largest year-to-date gain.

RV TRAILERS, APR. '91

Apr. '91 Rank	Region	% of Change From Apr. '90	Mar. '91 Rank
1	E.N. Central	– 1.9	1
2	W.N. Central	– 2.2	2
3	Mountain	– 2.9	6
4	S. Central	–12.0	4
5	S. Atlantic	–12.2	5
6	Northeast	–16.6	7
7	Pacific	–20.8	3

Figure 1

RV TRAILERS, YEAR-TO-DATE

Apr. '91 Rank	Region	% of Change Year-to-Date	Mar. '91 Rank
1	W.N. Central	– 8.0	2
2	E.N. Central	– 8.3	1
3	S. Atlantic	–15.9	3
4	Mountain	–16.2	6
5	S. Central	–17.5	4
6	Pacific	–20.4	5
7	Northeast	–26.7	7

Figure 2

MOTORHOMES, APR. '91

Apr. '91 Rank	Region	% of Change From Apr. '90	Mar. '91 Rank
1	E.N. Central	–26.2	4
2	Pacific	–27.4	3
3	W.N. Central	–31.4	2
4	Mountain	–33.4	1
5	S. Central	–37.2	5
6	Northeast	–42.3	6
7	S. Atlantic	–43.2	7

Figure 3

MOTORHOMES, YEAR-TO-DATE

Apr. '91 Rank	Region	% of Change Year-to-Date	Mar. '91 Rank
1	W.N. Central	–27.1	1
2	Pacific	–31.3	2
3	E.N. Central	–34.7	4
4	Mountain	–35.0	3
5	S. Central	–39.7	5
6	Northeast	–46.8	6
7	S. Atlantic	–47.9	7

Figure 4

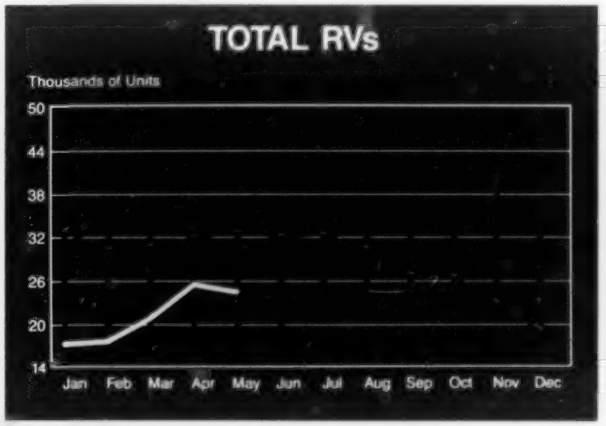
The South Atlantic region continued to lag, and West Virginia had the largest decline in that region.

Sales declines were still being recorded compared with last year's year-to-date levels, but the deficits were being reduced, indicating that the RV industry was starting to recover. The percents of change in RV-trailer and motorhome sales for the month and year-to-date were improved and should continue to improve during the remainder of 1991. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

MAY SHIPMENTS REDUCE YEAR-TO-DATE DEFICIT

MORTON J. MARCUS



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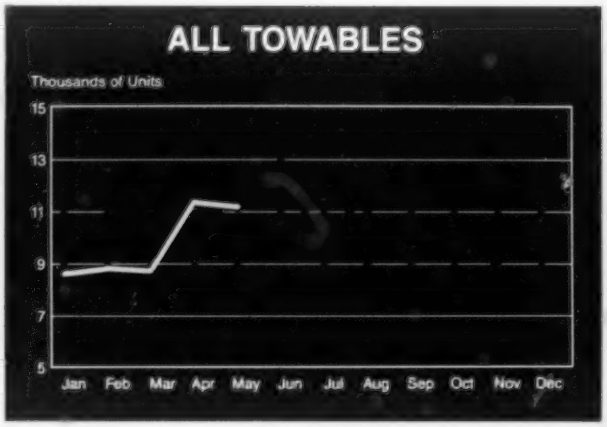

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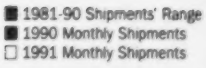

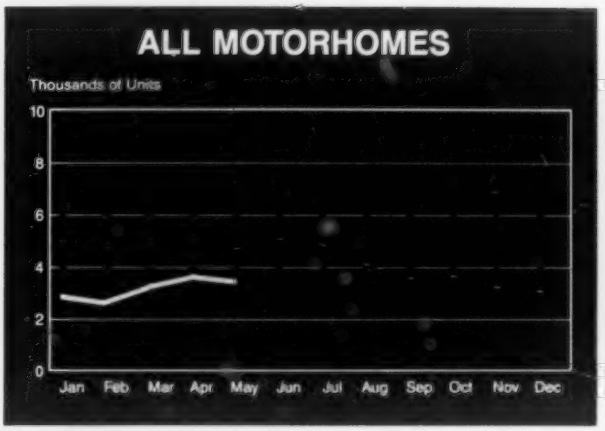

Figure 3

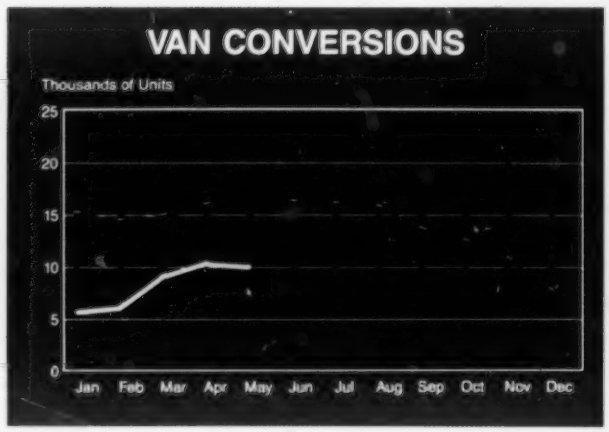

Figure 4

Early in life, we learn that appearances can be deceiving. Our parents fill our heads with warnings that "all that glistens is not gold." At the same time, we are encouraged by the repeated atmospheric observation that "every cloud has a silver lining." It is in this spirit that we need to read the May shipment data from RVIA.

When the raw data are adjusted for seasonal variations, total shipments are seen to have declined by almost 1,100 units from the previous month. *(See Figure 1.)*

The pessimistic observer would conclude that the upsurge of the previous few months was over. A more realistic view is that the upturn was still in motion since the magnitude of the decline was small and the increases of the two previous months had been substantial.

Figures 1 through 4 are all similar in this regard. In each case, May shipments were off from their April peaks but not nearly as low as the levels of March. Each figure also shows shipments well above the lows of earlier months. In addition, each major type of RV was running within the range of the past decade. Shipments were no longer below the 10-year range, as they were when the recession was in full force.

The Detailed View

Figure 5 tells a now-familiar story: The weakness in the market was primarily in motorized units. Travel trailers were up by 14% above April. Except for mini-motorhomes, other types of RVs fell in May compared with April shipment volumes. The negative signs are rampant in the lower section of Figure 5.

GRAPHICS: DIGITAL LIFE

With travel trailers up by nearly 1,000 units, the remainder of the industry had to fall by more than twice that amount to end up with an 1,100-unit decline.

Folding camping trailers, which declined by nearly 900 units (over 24%) from April, led the downward movement of the market. Given that folding camping trailers had risen by 1,440 units (66%) in the preceding month, this drop represented a leveling of shipments. A great surge is often followed by a dramatic slowdown, which actually is only a return to normal conditions. Truck campers provided another example of this tendency to moderation from extremes. After booming by 49% in April, these units were off by 29% in May. For both folding trailers and truck campers, May shipments were still ahead of March.

Of interest in Figure 5 is the fact that towables in May 1991 were stronger than in May of last year. The towables group was led by conventional travel trailers and folding camping units, which were running 8.7% ahead of the same month a year ago.

But, except for minimotorhomes, all motorized units were down from April 1991. At the same time, no type of motorized unit was running ahead of May 1990. Class A and Class C units were still 25% or more below the same month of last year. Class B motorhomes and van conversions were each 40% or more below May of '90.

These monthly numbers add up to the year-to-date account in Figure 6. As of May, each type of RV was still below its shipments level for the first five months of 1990. The entire industry was off by nearly one-third, a sum of more than 52,000 units. Van conversions accounted for 68% of that deficit and motorhomes for 16%, and there has been improvement every month. Hence, a 46% shortfall was relatively good news.

Good news holds, with one exception, for all types of recreational vehicles. The total RV shipments deficit had closed from nearly 47% in January to 33% in May. The worst case was low-profile Class C motorhomes, where the deficit was 71% for the year-to-date in May. The best performances were turned in by folding camping trailers and truck campers. Each of these had a deficit through the first five months of less than 10% compared with 1990. Folding camping trailers were just 2.2% behind their 1990 shipment pace.

The exception to the pattern of improvement was the experience of micro-minimotorhomes; in May, their year-to-date deficit of 41% was the highest seen thus far in '91 because the reported shipments, seasonally adjusted, for May 1991 equaled just 70 units, the lowest level in the past 13 years.

In sum, although May saw a lower growth rate of RV shipments, the decline was slight. Now we need to see if the volatility in the shipments, with sharp month-to-month increases and decreases, can be reduced. A roller coaster is exciting, but few of us want to work on one. Δ

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RV SHIPMENTS – MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	May '91	Change from Apr. '91 Number	Change from Apr. '91 %	Change from May '90 Number	Change from May '90 %
TOTAL RVs	24,600	-1,090	-4.2	-8,060	-24.7
Travel Trailers:					
Conventional	4,680	760	19.2	370	8.7
Park Models	560	30	5.1	-100	-15.0
Fifth-wheels	2,430	170	7.7	-100	-3.9
All Travel Trailers	7,680	960	14.2	180	2.4
Folding Camping Trailers	2,740	-880	-24.2	220	8.7
Truck Campers	730	-300	-29.2	-150	-17.2
TOTAL TOWABLES	11,140	-220	-1.9	240	2.2
Motorhomes:					
Class A	1,950	-130	-6.0	-650	-25.1
Class B	320	-40	-10.5	-240	-42.5
Class C:					
Minis	1,110	190	20.1	-160	-12.4
Low-Profiles	0	-90	-100.0	0	0
Micro-minis	70	-140	-65.6	-230	-75.1
Class C Total	1,190	-40	-3.6	-380	-24.4
TOTAL MOTORHOMES	3,460	-210	-5.7	-1,270	-26.9
TOTAL TOWABLES & MOTORHOMES	14,600	-430	-2.8	-1,030	-6.6
Multiuse Van Conversions	10,000	-660	-6.2	-7,030	-41.3

Note: Data rounded to nearest 10 units.

Figure 5

RV SHIPMENTS – ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date 1991	Year-to-Date 1990	Difference Number	Difference %	% Market Share 1991	% Market Share 1990
TOTAL RVs	106,720	159,150	-52,430	-32.9	100.00	100.00
Travel Trailers:						
Conventional	18,600	22,650	-4,050	-17.9	17.43	14.23
Park Models	2,480	3,060	-580	-19.0	2.32	1.92
Fifth-wheels	10,450	13,070	-2,620	-20.1	9.79	.21
All Travel Trailers	31,530	38,780	-7,250	-18.7	29.54	24.37
Folding Camping Trailers	13,570	13,880	-310	-2.2	12.72	8.72
Truck Campers	3,790	4,140	-350	-8.4	3.55	2.60
TOTAL TOWABLES	48,890	56,800	-7,910	-13.9	45.81	35.69
Motorhomes:						
Class A	8,750	13,840	-5,090	-36.8	8.20	8.70
Class B	1,650	2,550	-900	-35.2	1.55	1.60
Class C:						
Minis	4,490	6,330	-1,840	-29.1	4.20	3.98
Low-Profiles	90	300	-210	-70.7	0.08	0.19
Micro-minis	820	1,400	-580	-41.4	0.77	0.88
Class C Total	5,400	8,030	-2,630	-32.8	5.06	5.05
TOTAL MOTORHOMES	15,800	24,420	-8,620	-35.3	14.80	15.34
TOTAL TOWABLES & MOTORHOMES	64,690	81,220	-16,530	-20.4	60.62	51.03
Multiuse Van Conversions	42,030	77,930	-35,900	-46.1	39.38	48.97

Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6